

ATTACHMENT B

**EXHIBIT
A**

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7 Attorney for Defendant: Edward Showalter

8 **IN THE UNITED STATES DISTRICT COURT**
9 **FOR THE SOUTHERN DISTRICT OF CALIFORNIA**
10 **THE HONORABLE ANDREW J. GUILFORD**

11 UNITED STATES GOVERNMENT,) Case No. CR SA 06-0129

12 Plaintiff,

13 vs.

14 EDWARD SHOWALTER,

15 Defendant,

16 **DECLARATION OF DEFENDANT**
17 **EDWARD SHOWALTER**

18 I, Edward Showalter, hereby declare as follows:

- 19 1. I am the Defendant in the above-captioned case and do hereby provide this declaration in
20 support of my Defendant's Motion to Withdraw Guilty Plea and hereby adopt and
21 incorporate such by reference;
- 22 2. When I was engaged in plea negotiations with the U.S. Attorney's Office through my
23 criminal defense attorney I did not know that the SEC and the FBI had in fact failed to
24 interview a majority of the lenders in this case. Had I known that, I would have never
25 pleaded guilty;
- 26 3. Months after I entered my guilty plea, many of the major lenders in my business for the very
27 first time made themselves available for us to interview them and provided information that
28 is helpful to me and exonerates me and directly contradicts the SEC's central allegations

1 against me. Had this newly-available evidence been provided to me earlier, I would never
2 had pleaded guilty;

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4 4. Before I engaged in plea negotiations I was assured by the Government that the SEC had a
5 rock-solid case against me backed up by at least 100 "investors". The SEC publicly added
6 that such was just the "tip of the iceberg." The very Regional Director of the SEC, Randall
7 Lee, publicly said to L.A. Television Channel NBC 4, as much. Without having interviewed
8 the vast majority of the lenders here, Mr. Lee also said of me - "It was clear that he lied to
9 their faces";

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11 5. When I pleaded guilty I also did not know that a majority of lenders in fact never told the
12 SEC or the FBI any such thing. And in fact, even to this day, the Government has not
13 bothered to interview the majority of the lenders. Instead, it is my belief that the SEC relied
14 almost entirely upon the biased and false allegations of a very small group of lenders led by
15 Joe Rybus, whose sworn accusations against me seem to materially vary, depending on his
16 need;

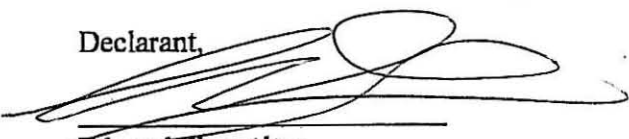
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19 6. In October and early November 2005 the SEC aggressively moved in and basically shut
20 down my business and froze all of my assets leaving me without any means to hire counsel to
21 effectively defend myself. I had to borrow money from friends to provide only the minimum
22 amount and my lawyers had to work for free for some time. When I was told that the
23 Government had a rock-solid case against me and that I would be indicted and put in jail I
24 saw no reasonable alternative but to take the Government at its word that I would be
25 convicted and decided to accept their alleged facts and to plead guilty;

1 7. I am indeed not guilty of having devised any scheme to defraud any of my lenders and
2 respectfully ask that I be allowed my day in court and my Sixth Amendment right to a jury
3 trial on those baseless allegations;
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5 I declare under penalty of perjury that the foregoing is true and correct.

6 Declarant,

7 Date: 4/12/07

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9 Edward Showalter
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